

Message Text

LIMITED OFFICIAL USE

PAGE 01 OTTAWA 01280 091722Z

62

ACTION EUR-12

INFO OCT-01 ISO-00 ARA-06 AGR-05 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 L-02 H-02 PA-01 USIA-06 PRS-01 /097 W

----- 056793

R 091646Z APR 75

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 6090

LIMITED OFFICIAL USE OTTAWA 1280

E.O. 11652: N/A

TAGS: ETRD, EFIN, CA, CU

SUBJECT: CANADIAN TRADE MISSION TO CUBA A SUCCESS

REFS: A. OTTAWA 1104 B. OTTAWA 1064 C. OTTAWA 671 D. OTTAWA 628

1. SUMMARY. DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE (ITC) OFFICIALS WHO PARTICIPATED IN MARCH 19-23 GILLESPIE-LED TRADE MISSION TO CUBA EVALUATE IT AS A CONSIDERABLE SUCCESS IN TERMS OF EXPORT ORDERS BOOKED AND IMMINENTLY PENDING, TRADE CONTACTS MADE, AND ASSURING CANADIAN GOODS OF A GROWING AND LASTING POSITION IN CUBA'S LONG-TERM ECONOMIC DEVELOPMENT AND IMPORT PLANS. END SUMMARY.

2. ITC OFFICIALS WHO WERE ON THE RECENT GOVERNMENT-INDUSTRY TRADE MISSION TO CUBA (AND VENEZUELA) GAVE THE EMBASSY'S COMMERCIAL COUNSELOR THE FOLLOWING RUN-DOWN ON APRIL 7.

3. OFFICIAL CUBAN HOST FOR GILLESPIE MISSION WAS TRADE MINISTER MARCELLO FERNANDEZ FONT. GILLESPIE AND HIS GROUP ALSO MET CUBA'S PRESIDENT OSVALDO DORTICOS TORRADO; VICE PREMIER IN CHARGE OF FOREIGN AFFAIRS

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OTTAWA 01280 091722Z

CARLOS RAFAEL RODRIGUEZ; MINISTER OF TRANSPORT LUSSON;

MINISTER FOR INDUSTRIAL DEVELOPMENT GOMEZ; MINISTER OF FISHERIES DELAZ; SENIOR CUBAN TOURISM OFFICIAL COLLES; PRESIDENT OF NATIONAL BANK OF CUBA RAUL LEON; AS WELL AS ECONOMIC PLANNING OFFICIALS AND REPRESENTATIVES OF CUBAN IMPORTING AGENCIES AND END-USERS. LAST BUT NOT LEAST, GILLESPIE ALSO MET FIDEL CASTRO (AND HIS BROTHER), WHO ATTENDED CANADIAN AMBASSADOR'S MARCH 20 RECEPTION AND WHOSE INTEREST IN TRADE MISSION ITC OFFICIALS CREDIT AS HAVING SPARKED ITS SUCCESS.

4. AMONG CONTRACTS CONCLUDED DURING FOUR-DAY VISIT WERE: AN ADDITIONAL 20 MLW LOCOMOTIVES FOR AN ESTIMATED VALUE OF \$12 MILLION; \$250,000 WORTH OF SEED POTATOES; \$1 MILLION WORTH OF FISH PROCESSING EQUIPMENT FROM THE CANADIAN MARITIMES; "CHERRY PICKERS" TO BE SUPPLIED BY THE WAJAX FIRM; WOOD PULP TO BE SUPPLIED FROM BOTH EASTERN AND WESTERN CANADA; 50,000 TONS OF POTASH WORTH AND ESTIMATED \$1 MILLION; AND POSSIBLY SOME TIMBER. (ACCORDING TO CANADIAN PRESS REPORTS, PARTICIPATING CANADIAN FIRMS CONCLUDED DEALS TOTALLING \$25 MILLION.)

5. IN PENDING AND POTENTIAL CATEGORY ARE: FARM MACHINERY TO BE SUPPLIED BY VERSATILE MANUFACTURING LIMITED IN ALBERTA; A RAILROAD REPAIR SHOP WORTH \$25 MILLION TO BE CONTRACTED BY CANADIAN PACIFIC CONSULTING SERVICES LIMITED; ALUMINUM FABRICATING FACILITIES AND POSSIBLY ALUMINUM PIG FROM ALCAN CANADA PRODUCTS LIMITED; CONCRETE BOATS FROM BURNS FOODS LIMITED; CONTINUING SUPPLY OF CATTLE BREEDING STOCK; FROZEN SEMEN; AND POSSIBLE STEEL PRODUCT SALES BY STELCO, ONE OF CANADA'S BIG THREE IN STEEL. (ACCORDING TO CANADIAN PRESS REPORTS, POTENTIAL EXISTS FOR SALES WORTH \$400 TP \$500 MILLION OVER THE NEXT THREE OR FOUR YEARS.)

6. ACCORDING TO ITC OFFICIALS, CUBANS FOR THEIR PART PRESSED CANADIANS TO TAKE MORE SUGAR, CRITICIZED CANADIAN TARIFF REGIME FOR SUGAR; AND OBTAINED FROM CANADIANS A "BEST OFFICES" UNDERTAKING VIS-A-VIS PROVINCIAL LIQUOR CONTROL BOARDS TO FACILITATE INCREASED SALES OF RUM.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OTTAWA 01280 091722Z

7 AMONG THE 25 CANADIAN FIRMS PARTICIPATING IN THE TRADE MISSION, ONLY A VER SMALL MINORITY FAILED TO MAKE THE TRADE CONTACTS THEY HAD HOPED FOR. ITC OFFICIALS SAID THERE WAS NO QUESTION THAT THERE IS BIG BUSINESS TO BE DONE WITH CUBA, WHICH HAS A HUGE NEED FOR NORTH AMERICAN PRODUCTS.

8. AS REPORTED REF B, CUBA AND CANADA SIGNED IN HAVANA ON MARCH 19 A "MEMO OF UNDERSTANDING ON FINANCING" TO A TOTAL VALUE OF \$100 MILLION. AGREEMENT SIGNED FOR CUBA BY RAUL LEON AND FOR CANADA BY V. L. CHAPIN, VICE PRESIDENT OF EXPORT DEVELOPMENT CORPORATION (EDC). MEMO OF UNDERSTANDING "COVERS A PROGRAM OF MUTUAL INTEREST IN CAPITAL GOODS AND SERVICES AND IS TO BE COMPLETED WITHIN ONE YEAR. THE MONEY WILL BE MADE AVAILABLE TO THE CUBAN BANK BY EDC IN COOPERATION WITH CANADIAN CHARTERED BANKS AT INTERNATIONALLY COMPETITIVE RATES OF INTEREST." PROJECTS TO BE FINANCED ARE EXEMPLIFIED IN REF B, AND ITC OFFICIALS SAID AGREEMENT ON FINANCING WAS WORKED OUT WHEN RAUL LEON VISITED OTTAWA IN FEBRUARY (OTTAWA 694 AND REF D). ITC OFFICIALS TOLD EMBOFF THAT GILLESPIE STRESSED TO CUBANS THEY SHOULD USE THIS LINE OF CREDIT NOW THAT THEY HAVE IT. ITC OFFICIALS ALSO TOLD EMBOFF THAT ANOTHER \$100 MILLION PROBABLY WOULD BE FORTHCOMING IN PRIVATE LINES OF CREDIT FROM CANADIAN CHARTERED BANKS.

9. ITC OFFICIALS SAID CANADIANS "GOT NOWHERE" SELLING AIR TRANSPORT EQUIPMENT, AS CUBANS ARE LOCKED IN WITH USSR. (CANADIANS HAD HOPED TO INTEREST CUBANS IN STOL AIRCRAFT.) PRESIDENT DORTICOS TOLD CANADIANS THERE WAS NO REPEAT NO PROVISION IN CUBAN FIVE-YEAR ECONOMIC DEVELOPMENT PLAN FOR PROCUREMENT FROM U.S.; NEVER AGAIN DID CUBA WISH TO BECOME AS DEPENDENT AS IT FORMERLY HAD BEEN ON THE U.S.; AND CUBA WOULD ALWAYS PLACE SPECIAL VALUE ON COMMERCIAL RELATIONS WITH CANADA, WHICH HAS CONTINUED TO TRADE WITH CUBA (DESPITE THE OAS EMBARGO). CUBANS ALSO CITED U.S. TRADE ACT OF 1974 AS A POSSIBLE OBSTACLE TO DEVELOPMENT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 OTTAWA 01280 091722Z

OF U.S.-CUBAN TRADE IN EVENT OF RESUMPTION OF RELATIONS. (EMBASSY ASSUMES CUBANS WERE THINKING OF ACT'S TITLES IV AND V.) CUBANS ALSO "PUSHING SOLIDARITY WITH VENEZUELA," THEY TOLD CANADIANS.

10. VICE PREMIER RODRIGUEZ INVITED TO CANADA BY GILLESPIE AND ACCEPTED, ACCORDING TO ITC OFFICIALS. ALSO, TOURISM OFFICIAL COLLES WILL THIS MONTH LEAD EIGHT-MAN GROUP VISITING CANADIAN TOURISM FACILITIES WITH A VIEW TO PLACING CONTRACTS FOR REFURBISHING CUBAN HOTELS. (SEE ALSO OTTAWA 57.) CANADIAN TOURISM TO CUBA BOOMING, AND AIR CANADA OFFICIAL PARTICIPATING IN TRADE MISSION HAS PREDICTED 23,000 CANADIANS WILL VISIT CUBA DURING NEXT WINTER SEASON.

11. FINALLY, ITC OFFICIALS CONFIRMED PRESS REPORTS

THAT NEGOTIATIONS ON AN AIR AGREEMENT BETWEEN CANADA
AND CUBA WILL COMMENCE MAY 19.

12. AIRGRAM FOLLOWS WITH ADDITIONAL PARTICULARS.
SEPTTEL ALSO WILL FOLLOW ON GILLESPIE-LED TRADE MISSION
TO VENEZUELA.
PORTER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN TRADE
Control Number: n/a
Copy: SINGLE
Draft Date: 09 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975OTTAWA01280
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750124-0190
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750467/aaaacjpp.tel
Line Count: 178
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 OTTAWA 1104, 75 OTTAWA 1064, 75 OTTAWA 671, 75 OTTAWA 628
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 05 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 MAY 2003 by Izenbel0>; APPROVED <06 MAY 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CANADIAN TRADE MISSION TO CUBA A SUCCESS
TAGS: ETRD, EFIN, BEXP, CA, CU, ITC, (GILLESPIE, ALASTAIR)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006